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Media Relations

November 26, 2013

UNH: Lodging Index Continues its Slide

DURHAM, N.H. – The University of New Hampshire Lodging Executives Sentiment Index (LESI) continued its slide from 76.8 in September 2013 to 75.0 in October 2013. Overall the lodging executives' sentiment for present business conditions was up during this current period while future business conditions continued to weaken.

"There appears to be continued economic uncertainty among executives, with demand leveling off," said Nelson Barber, associate professor of hospitality management, who manages the index.

Fifty-three percent of lodging executives indicated current business conditions were good, an increase from 38 percent last period, while 47 percent indicated conditions were normal, down from 62 percent during the same period. No executive indicated such conditions were bad in either period.

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics, the LESI is based on a monthly survey of lodging executives representing companies with more than 2.5 million hotel rooms across lodging segments and geographic regions of the United States -- more than 55 percent of all U.S. rooms.

Executives are asked about the present and future business conditions, and to report their outlook during the next 12 months about room reservations and employment practices, such as an increase or decrease of their nonmanagerial work force.

The LESI indices follow the Institute of Supply Management's Index (ISM) method of tracking leading indicators. A LESI survey reading of greater than 50 indicates expansion whereas a reading below 50 indicates decline. The distance from 50 in either direction is indicating the strength of the expansion or decline. During the September period of time, the ISM Index increased to 56.4 from 56.2.

Looking forward, 47 percent of the executives thought conditions will be better in the next 12 months versus 62 percent last month, while 53 percent indicated they will be the same versus 38 percent last month indicating they would be the same. Executive sentiment for this period revealed that no executive thought they would be worse.

Looking forward 12 months, lodging executives expect hiring of nonmanagerial employees to slow down compared to September 2013. October's unemployment rate, published by the Bureau of Labor Statistics increased to 7.3. Both the Bureau of Labor Statistics and the LESI data are similar to the ISM Employment Index, which decreased by 2.2 percentage points, registering 53.2 percent.

LESI recently was highlighted in the November 2013 issue of the Cornell Hospitality Quarterly in an article that discusses how the index is used to forecast interest rates, the stock market and retail sales. The article demonstrates the accuracy of the LESI in forecasting.

For more information about LESI, visit <http://paulcollege.unh.edu/LESI>.

The [UNH Peter T. Paul College of Business and Economics](#) offers a full complement of high-quality programs in business, economics, accounting, finance, information systems management, marketing, and hospitality

management. Programs are offered at the undergraduate, graduate, and executive development levels. The college is accredited by the Association to Advance Collegiate Schools of Business, the premier accrediting agency for business schools worldwide.

The [University of New Hampshire](#), founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

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Nelson Barber, associate professor of hospitality management, is available to discuss the October LESI report. He can be reached at nelson.barber@unh.edu. The most recent LESI report is available at <http://paulcollege.unh.edu/LESI>.

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